

## PART 3400 [RESERVED]

### PART 3401—SUPPLEMENTAL STANDARDS OF ETHICAL CONDUCT FOR EMPLOYEES OF THE FEDERAL ENERGY REGULATORY COMMISSION

Sec.

3401.101 General.

3401.102 Prohibited financial interests.

3401.103 Procedures for accomplishing disqualification.

3401.104 Prior approval for outside employment.

AUTHORITY: 5 U.S.C. 7301; 5 U.S.C. App. (Ethics in Government Act of 1978); 42 U.S.C. 7171, 7172; E.O. 12674, 54 FR 15159, 3 CFR, 1989 Comp., p. 215, as modified by E.O. 12731, 55 FR 42547, 3 CFR, 1990 Comp., p. 306; 5 CFR 2635.105, 2635.402(c), 2635.403, 2635.502(e), 2635.604, 2635.803.

SOURCE: 61 FR 43414, Aug. 23, 1996, unless otherwise noted.

#### § 3401.101 General.

In accordance with 5 CFR 2635.105, the regulations in this part apply to employees of the Federal Energy Regulatory Commission (Commission) and supplement the Standards of Ethical Conduct for Employees of the Executive Branch contained in 5 CFR part 2635. In addition to the standards in 5 CFR part 2635 and this part, employees are subject to the executive branch financial disclosure regulations contained in 5 CFR part 2634, additional regulations on responsibilities and conduct at 5 CFR part 735, and Commission specific provisions contained in 18 CFR part 3c.

#### § 3401.102 Prohibited financial interests.

(a) *General prohibition.* No employee, and no spouse or minor child of an employee, shall acquire or hold any securities issued by an entity on the prohibited securities list described in paragraph (b) of this section. The list shall include, but not be limited to the following:

- (1) Natural gas companies;
- (2) Interstate oil pipelines;
- (3) Hydroelectric licensees or exemptees;
- (4) Public utilities;

(5) Transmitting utilities or electric utilities engaged in the wholesale sale or transmission of electricity or having obtained an interconnection or wheeling order under part II of the Federal Power Act;

(6) Liquefied natural gas terminals as defined by section 3 of the Natural Gas Act; or

(7) Parent companies of an entity identified in paragraphs (a)(1) through (a)(6) of this section.

(b) *Prohibited securities list.* A prohibited securities list shall be maintained, published, and distributed by the Office of the General Counsel's General and Administrative Law section, updated annually or on a more frequent basis to include entities that meet the criteria in paragraph (a) or are otherwise subject to the Commission's jurisdiction and to remove entities that do not raise impartiality concerns after considering the above criteria.

(c) *Exception.* Nothing in this section prohibits an employee, or the spouse or minor child of an employee, from acquiring or holding an interest in a publicly traded or publicly available mutual fund or other collective investment fund, or in a widely held pension or mutual fund, provided: (1) That the employee neither exercises control nor has the ability to exercise control over the financial interests held in the fund; or (2) that the fund's prospectus or practice does not indicate the stated objective of concentrating its investments in entities identified in paragraphs (a)(1) through (a)(7) of this section.

(d) *Reporting and divestiture*—(1) *Reporting of prohibited securities.* An employee must promptly report in writing to the DAEO any acquired interest prohibited under paragraphs (a) and (b) of this section. New employees must report in writing to the DAEO prohibited financial interests within 30 days of commencement of employment. Prohibited financial interests acquired after employment commences and without specific intent, such as through gift, inheritance, or marriage, must be reported in writing to the DAEO within 30 days of acquisition of such interest.

(2) *Divestiture of prohibited securities.* A prohibited financial interest must be